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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

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ARTICLES:

- (1) Time for G-8 to turn itself into a coordinator

By Keiji Takeuchi, senior writer

In the just ended Lake Toya summit, the Group of Eight nation's ability to respond to global crises was tested.

Today, the world is facing global warming, the worsening food crisis, and skyrocketing oil prices all at once. Those issues that are directly connected to the foundation of people's livelihood have resulted in destroying peoples' lives and global instability.

In the summit, the G-8 leaders released a statement pledging to extend emergency food aid and agricultural assistance, while calling for an increased oil refinery capacity to constrain soaring oil prices.

Global warming has always been taken up in recent summit meetings. G-8 leaders' agreements have given a boost to international negotiations.

The 2005 summit held in Britain helped the Bush administration recognize deteriorating global warming. Last year's summit in Germany came up with the idea of halving greenhouse gas emissions by 2050. This year's summit described this as a future vision that must be shared by the entire world.

Five emerging economies, including China and Brazil, reacted strongly, saying that the industrialized countries must cut their

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emissions even further. Both progress and conflicts were pronounced in this year's summit.

Resolving a crisis is never easy because of global limits. The amount of CO2 released into the atmosphere is over twice the volume absorbed by nature. There are limits to resources and the land that can be used for increased food production is limited.

International cooperation is especially essential today for resolving problems fundamentally. Relations of sharing must be forged rather than relations of forcing the burden onto one another. Global warming would be a test to that end.

With the spread of the idea of halving emissions by 2050, developing countries are also alarmed at being pressed for emissions cuts. If developing countries that have been emitting large volumes of CO2 since the Industrial Revolution proactively reduce their emissions, the matter would move forward, becoming the norm for other global issues

Although the G-8 was launched as a forum representing industrialized Western countries, this year's summit made me feel once again that it is high time for it to transform itself into a coordinator of global interests.

(2) G-8 leaders manage to come to agreement on long-term emissions-reduction goal

The success or failure of the Hokkaido Toyako Summit hinged on whether an agreement would be reached on a long-term goal to contain global warming. The Group of Eight (G-8) leaders yesterday managed to come to an agreement. "I will ask the international community to share the goal," Prime Minister Fukuda said. While saving the U.S.' face by urging emerging countries to share the long-term goal, Fukuda tried to underscore the unity of the G-8 nations. But the leaders' statement this year is only to "lay a solid groundwork for the next step," as Fukuda said. This is just a prelude to future stormy international negotiations.

International community shares goal of having greenhouse gas emissions; U.S. calls agreement "wonderful"

Prime Minister Fukuda said at the outset of a luncheon meeting by the G-8 leaders yesterday: "This is an important summit to present long-term prospects on whether we can end overdependence on fossil energy and create a low-carbon society." In the meeting, the leaders intensively discussed measures to counter global warming.

The luncheon meeting lasted for about an hour. After the meeting, Fukuda showed up in a garden that offered a gorgeous view of finally fog-cleared Lake Toya. Speaking before reporters, he said: "We came a long way over the past year. Japan as the chair of the summit this year has continued tough negotiations. Finally an agreement was reached today." Prior to an official announcement, Fukuda disclosed that the G-8 leaders came to an agreement on the long-term goal.

The U.S. had insisted that commitments by such emerging countries as China and India to the goal are the condition for its agreement. The highest hurdle for the Japanese government was to persuade the U.S.

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to make a policy switch. Because unless a new international regime involves the U.S., which is the largest greenhouse gas emitter and has not joined the Kyoto Protocol, it will become ineffective.

U.S. President Bush and Fukuda held a bilateral meeting on the eve of the opening of the summit. Although their conversation on the long-term goal was not disclosed, Fukuda got the feeling that he would be able to elicit a concession from Bush. Fukuda called in Foreign Ministry's Deputy Minister Masaharu Kohno, Japan's G-8 Sherpa, at midnight on July 7 and instructed him to coordinate views with the U.S. Sherpa again. Fukuda himself also telephoned Bush and urged him to compromise.

In the early hours of the 8th, the final draft of the leaders' declaration was completed at the Sherpa level. The draft urged emerging countries to share the same long-term goal, and this was a key point. An aide to the prime minister said: "If only the G-8 nations had committed to the goal, people in the U.S. might have fiercely reacted."

A Japanese government source said, heaving a sigh of relief with the agreement of the U.S.: "We were worrying about a possible retreat from the declaration adopted in the Heiligendamm Summit in Germany last year, but we were able to produce a modicum of results at least."

Although the U.S. was reluctant to set a long-term goal, it now welcomes the agreement. Assistant to the President Daniel Price, who serves as the U.S. Sherpa to the G-8, told U.S. reporters: "This is a wonderful joint statement." Jim Connaughton, chairman of the White House Council on Environmental quality, praised the statement, saying: "The statement adopted last year was inward-looking, but this year's statement is outward-directed."

European Union's European Commission President Jose Manuel Barroso, who is calling for broader measures, also said in a press conference yesterday: "Major progress has been made. I understand that a long-term goal has political binding power."

It might be true that the statement this year toned down the G-8 nations' eagerness to take the lead in tackling global warming. Kiko Network (Climate Network), a Japanese NGO, issued a statement criticizing the long-term goal as bringing no progress to other countries than the U.S. The NGO also denounced the fact that the statement presented no mid-term target.

Emerging countries already issue statement forestalling moves by industrialized countries, calling for their leadership

Prime Minister Fukuda will attend a summit meeting of the major emitters' meeting (MEM) participated by 16 countries - the G-8 nations and such emerging countries as China and India - on the morning of the 9th, the last day of the summit. The MEM was launched under the initiative of the U.S., but Fukuda chairs the meeting today. He intends to urge emerging countries to share the long-term

emissions-reduction goal reached among the G-8 countries yesterday.

The total volume of greenhouse gases emitted from all MEM member nations accounts for 80 PERCENT of the total across the world. In drafting the final version of the leaders' statement at a preliminary meeting in Seoul, South Korea, agreement was not reached

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on the long-term goal of halving greenhouse gas emissions by 2050. On a mid-term goal, the draft presented no specific numerical figure and just noted that it would propose nation-specific targets involving only the industrialized countries.

Daniel Price, who serves as the U.S. Sherpa to the G-8, expressed a desire to bring out concessions from emerging countries, saying: "Based on the joint statement, we will formulate a MEM leaders' statement." But another negotiator said: "There is no need to modify the joint statement that was completed based on a delicate balance (between industrialized countries and developing countries)."

The G-8 nations have indicated their intention for the first time to urge emerging countries to assume some international obligation to reduce greenhouse gas emissions. In response, emerging countries are trying to forestall the G-8 side's moves.

The leaders of China, India, and other three countries announced a statement in a press conference yesterday emphasizing: "The industrialized countries must take the initiative" regarding medium- to long-term emissions-reduction targets. On goals for the G-8 countries to curb gas emissions, the five leaders called for an 80 to 95 PERCENT cut by 2050 and a 25 to 40 PERCENT cut by 2020.

There is a wide perception gap between the industrialized countries and developing countries, which claim that since industrialized countries discharged large volumes of gases in the past, they are responsible for causing global warming.

The Hokkaido Toyako Summit is just a transit point toward an agreement to be reached at the 15th session of the Conference of the Parties to the UN Framework Convention on Climate Change, so a number of tasks have been left behind. The joint statement included no targets to cut gas emissions by 2020 to 2030.

In a speech at the Davos Conference this January, Fukuda proposed that the international community should have the growth of gas emissions peak out in the next 10 to 20 years. But this proposal was also excluded from the joint statement. The statement positively evaluated Japan's sector-specific approach. A Japanese government official proudly said: "This is a great achievement," but the interests of industrialized countries might clash from now on.

(3) Future of this planet (Part 1): Japan, chair of Toyako Summit, fails to send out strong message due to passive coordination effort

TOKYO SHIMBUN (Page 1) (Full)
July 10, 2008

Prime Minister Yasuo Fukuda said after the Hokkaido Toyako Summit was wrapped up yesterday: "Compared with the summits held over the past several years, the Toyako Summit was far more significant because it was held when global problems are seriously affecting the people's daily lives." The state leaders who participated in the Toyako Summit faced the tough challenges the international community has to jointly tackle, including global warming. From the summit, what message were the leaders able to send out regarding the future of Japan, the world, and the planet?

The G-8 leaders' statement on global warming was issued on July 8, but over its contents, stormy negotiations continued into the last moment. G-8 Sherpas intermittently held discussions and rewrote the

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draft many times up until the early hours of the same day. A final decision was made by the G-8 leaders in their luncheon meeting.

In an effort to elicit an agreement among the G-8 leaders, Fukuda reportedly continued efforts up until midnight of the 8th by giving instructions to administrative officers over the phone.

Although the leaders' statement specified the vision of achieving at least a 50 PERCENT reduction of greenhouse gas emissions by 2050, but views are split over whether the G-8 leaders agreed on this long-term goal. The leaders certainly agreed to the need for the international community to share the same goal, but they did not agree to set a concrete long-term target. The perception gap between the U.S. and Europe has not been bridged.

In the Toyako Summit, Fukuda played two roles - Japanese representative and chairman of the summit. As Japanese representative, he needed to make statements that will serve Japan's national interests, but as chair, he needed to coordinate views, even determined to compromise at the expense of Japan's national interest. Fukuda seems to have given priority to the role of coordinator.

When we tackle problems that will affect the whole world's interests, it is not wrong to make efforts to coordinate views while taming our own ego. Even so, the prime minister was apparently engaged in not positive but passive coordination by hiding differences, as represented by the agreement reached among the G-8 leaders on the 8th.

Fukuda satisfactorily told reporters after the joint statement was issued: "We came a long way over the past year." But he disclosed afterward that he had anticipated stormy negotiations in the Major Economies Meeting (MEM) on the 9th.

A decision was made to include in the G-8 leaders' statement an appeal for the entire world, including China and India, to share the need for a long-term goal for greenhouse gas reduction. This decision brought about an agreement by the U.S. on the long-term goal. But it was obvious that China, India, and other participants in the MEM would react fiercely. As anticipated by Fukuda, the wording "50 PERCENT reduction" was not included in the joint statement. The G-8 leaders decided to continue to discuss the issue.

Due to the agreement struck based on the formula of largest common divisor in accordance with the circumstance of the time, a strong message was not sent out from the G-8 Summit. It can hardly be said that the summit produced satisfactory results for Japan, which wants to lead environment-protection discussion, in view of its national interests.

(4) Complex crisis and G-8 summit - part 1: High crude oil prices, weak dollar passed over with focus of discussion placed only on global warming issue

NIKKEI (Page 10) (Excerpts)
July 10, 2008

The Lake Toya Summit wrapped up with participants reaching an agreement on measures against global warming at the last moment. However, the meeting has failed to come up with measures to address

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the complex global crisis, such as the soaring resources prices, the weak dollar, and the simultaneous acceleration of the economic slowdown and inflation. Amid the current reality that the G-8 nations are losing influence and emerging economies are rising, the Summit itself is being pressed to reform.

Outright stance of seeking national interest

The prime minister has insisted on reaching an agreement on measures against global warming at the summit this time.

The prime minister around 10:00 p.m. on the evening of July 7, the day before the G-8 summit, telephoned Deputy Vice Foreign Minister Kono from the hotel he was staying. "Can't we rewrite this part like

this?" So saying, he directed Kono to make changes to the draft summit declaration.

European countries and Japan had been aiming at reaching a consensus on the 50 PERCENT reduction of greenhouse gas emissions by 2050, while the U.S. had remained reluctant to accept that target. Under such a situation, the focus of attention of the prime minister as well as participants in the G-8 summit had been on whether an agreement could be produced when the national interests of the countries were openly clashing.

As a result of their all-night coordination, the G-8 at the last moment reached an agreement that the world should share a long-term target to cut greenhouse gas emissions by 50 PERCENT by 2050. Though the Major Economies Meeting on Energy Security and Climate Change (MEM), including China and India, did not adopt a numerical target in its declaration, participants agreed to share the vision including the global long-term emissions goal.

However, as G-8 leaders were interested only in the environment, measures to address risks facing the global economy, including soaring resource prices and the weak dollar, had been somewhat neglected.

The year 2000 was the last time the summit was held in Japan. Since then, the global economy has undergone a sea change. Crude oil prices have gone up four-fold, rice prices four-fold, corn prices three point four-fold. The U.S. economy is slowing, triggered by financial uncertainty. An enormous amount of money has flown into the crude oil market, linked to a loss of confidence in the dollar. The world is facing two crises -- inflation and economic slowdown.

African leaders at an outreach dialogue held on July 7, joined by the G-8 and other MEM participating countries, complained, "This situation is fairly tough for non-oil producers"; and, "The G-8 should display leadership." The hardest hit by the crisis this time are emerging and developing countries in Africa and Asia, which do not have natural resources. The proportion of energy and food expenses to the family budget is high in those countries.

The G-8 has pledged more aid. However, there are no indications of their pursuing discussion regarding monitoring the flow of speculative money, one factor contributing to the high grain prices and the weak dollar.

Discussion proposal killed

The Japanese Finance Ministry was secretly considering proposing a
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discussion theme for the G-8 summit this time. The title of the proposal was "The Way Casino-style Capitalism Should Be."

The Finance Ministry had made preparations for in-depth discussion on the casino-style global crisis, caused by a ballooning money flow undermining the real economy, as can be seen in the subprime mortgage crisis and the recent inflow of speculative money into the crude oil and grain markets. However, the proposal was killed, facing opposition from the U.S., which is cautious about regulating speculative money.

The real reason that G-8 leaders had no idea how to find a way to deal with the global economic crisis is that their leadership is beginning to decline, as many of them are suffering from declining approval ratings for their cabinets on the domestic front. The U.S. is strapped with financial anxieties and the weak dollar. However, the lame-duck Bush administration, which has less than six months to serve, is showing no signs of taking a proactive role. Prime Minister Fukuda of Japan, the host nation, and French President Sarkozy are both suffering from falling public approval ratings.

It has become clear at the Lake Toya Summit that leaders from the G-8 nations and emerging economies had no fix to deal with the complex global crisis. G-8 leaders are supposed to have no room for being intoxicated by an achievement over the global environment issue.

(5) Repercussions likely on Futenma relocation with ruling, opposition reversal in assembly

OKINAWA TIMES (Page 2) (Abridged)
July 10, 2008

The opposition parties and neutral groups, now holding a majority of the seats in Okinawa Prefecture's assembly, agreed to present a resolution to the assembly in its June regular session against the planned relocation of the U.S. military's Futenma airfield to a coastal area of Camp Schwab in the northern coastal city of Nago. The resolution will likely be adopted with a majority of votes on June 18 when the assembly ends its current session. The government is now coordinating on a schedule to hold an eighth meeting that evening in Tokyo with Okinawa's prefectural and municipal officials to consult on the Futenma relocation. However, the reversal of strengths between the ruling and opposition parties in the assembly, resulting from this June's assembly election, is about to have considerable repercussions on the future course of consultations between the government and the prefecture.

The Group of Eight (G-8) summit at Lake Toya in Hokkaido ended yesterday. The government is now going into full-fledged coordination for the consultative meeting.

Defense Minister Shigeru Ishiba plans to go abroad the week of July 121. Government officials therefore think that the consultative meeting will likely be set for July 18. However, the meeting is not expected to see progress while the government is coordinating on its schedule with Okinawa's prefectural and municipal governments.

"We'll have to play it by ear." With this, one government official confessed that the government would have to start all over again with the next consultative meeting. This official added: "We have no time, so we must hurry up. But we have nothing so far."

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In the last meeting held in April, Okinawa Gov. Hirokazu Nakaima again asked the government to eliminate the danger of Futenma airfield and move the runways of an alternative facility into the sea. Nakaima stressed, "We need to coordinate on the framework of future consultations and confirm it in our meeting." Chief Cabinet Secretary Nobutaka Machimura answered, "We'd like to discuss it in the next meeting."

At first, Okinawa Prefecture proposed confirming its request in written form with the government. However, the government and Okinawa Prefecture failed to word their confirmation. As a result, they have forgone the idea of documenting their confirmation.

Even so, the next July 18 consultative meeting will go on record. Okinawa Prefecture wants to place offshore location on the agenda to take the initiative in future discussions.

"We will make efforts with offshore location in mind." "We'd like to negotiate with the United States on eliminating danger." Such irregular remarks made by Machimura in a consultative meeting and a press conference pleased Okinawa Prefecture. "He knows our standpoint," one Okinawa prefectural official said. Meanwhile, Machimura's remarks bewildered government officials. "The United States wouldn't accept it," one government official said.

Another government official said: "This time as well, politicians will probably say something. But this is the last one. Whatever the chief cabinet secretary may say, we can explain to the United States that this is the last consultative meeting before the cabinet is shuffled."

Meanwhile, Okinawa Prefecture-with an eye to a possible shuffle of the Fukuda cabinet-wants to find out a future course under the current Fukuda cabinet. If the discussion has to go from scratch under the new cabinet, it is feared that the July 18 consultative meeting could be almost meaningless in itself.

(6) Trend favoring DPJ President Ozawa's reelection for third term likely to accelerate

ASAHI (Page 4) (Slightly abridged)
July 10, 2008

It has been decided that a group called "Isshinkai," which is made up of Democratic Party of Japan (DPJ) lawmakers who are now serving in their third-term or more in the Diet and support DPJ President Ichiro Ozawa, will participate in a study session to be held on August 17 in Karuizawa. They will be joined by another group led by Secretary General Yukio Hatoyama. With cooperation of the two groups, the trend favoring Ozawa's reelection for a third term in the September presidential election will likely pick up speed.

Hatoyama asked the Isshinkai group or Ozawa group for participation in the Karuizawa session. "The move has the implications of stepping up the unity with an eye on the party leadership race," said a person close to Hatoyama. Another group led by Vice President Takahiro Yokomichi, who hailed from the former Japan Socialist Party, and the group led by Deputy President Naoto Kan will likely support Ozawa's reelection for a third term.

Moreover, since the DPJ won last summer's House of Councillors

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election, the number of DPJ members in the Upper House became almost the same as those in the House of Representatives. The view is strong in the Upper House caucus that it is only natural for Ozawa to be reelected, believing that he made the most contributions to the party's victory in last year's Upper House election. Upper House Secretary General Kenji Hirata told reporters on July 8: "The best way is that President Ozawa will be reelected without going through an election and we will then fight the next Lower House election under his leadership."

A majority of the DPJ lawmakers already back Ozawa's reelection for a third term. In addition, of the 132 persons who have a vote, about 50 belonging to the Isshinkai Club have supported Ozawa.

In response to an interview by the Asahi Shimbun in May, senior members of 44 DPJ prefectural chapters said that the DPJ should contest the next Lower House election under Ozawa's leadership. Such a move is expected to have an impact on voter trends of party members, supporters and local assembly members. The prevailing view in the largest opposition party is that there will be no change in Ozawa's predominance, according to a veteran lawmaker.

Meanwhile, a secret move to find a rival candidate to Ozawa is going on. On the night of July 7, eight junior legislators, including Taizo Mikazuki and Sumio Mabushi, got together in Kyoto and discussed future responses.

Hatoyama has taken a stance of tolerating the move seeking candidates other than Ozawa. He said in a meeting on July 8 in Tokyo: "Besides Mr. Ozawa, there are many potential presidential candidates in the DPJ. So I want to produce a good presidential race."

(7) Interview with Seiji Maehara on DPJ leadership race

YOMIURI (Page 4) (Abridged slightly)
July 10, 2008

Democratic Party of Japan Vice-President Seiji Maehara gave an interview to the Yomiuri Shimbun on July 9. In it, the former DPJ president underlined the need for policy debates in the September party leadership race.

-- Are you going to run in the race?

"I have no comment on that for the time being. Our party won the last Upper House election and the Lower House Yamaguchi by-election (in April), so I can give the current party leadership a passing mark. But determining the new leader without a vote is another story. We must conduct policy debates and evolve the manifesto

(campaign pledges) that was used in last year's Upper House election."

-- Any specific ideas?

"For instance, in agriculture, the international price of rice has risen sharply over the last year because the international situation has changed drastically. I would like to see new policy developments, such as the removal of the adjustment of production of rice for processing or for animal feed. In security policy as well, the power balance in the world has significantly changed. I wonder if pragmatic diplomacy is possible with the logic of doing only what

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the United Nations has decided to do. Our social security policy must also be improved, including appropriate funding for pension, medical services, and nursing."

-- Your party is ambiguous when it comes to funding, and that is your party's weakness.

"Funding is an area we really need to make progress on. When the party was headed by Katsuya Okada or myself, we proposed raising the consumption tax by 3 PERCENT for use in pensions, but we are no longer calling for it. The leadership race requires policy debates, presenting specific figures. Otherwise, we will be fiercely attacked (by the ruling bloc) in the next Lower House election. We must create the right environment in which we can put up a fair fight in the election without offering excuses."

-- What are the chances of political realignment after the next Lower House election?

"We are aiming at a change in government, and that goal will never waver. But the clock is ticking for revamping Japan, which is saddled with a huge fiscal deficit and a declining birthrate coupled with a rapidly graying population. Whether one is a member of the Democratic Party of Japan or of the Liberal Democratic Party is not that important. Each and every lawmaker must have a strong determination to overhaul politics like masterless samurai.

(8) Maneuvering in ruling parties over Lower House dissolution; New Komeito's Kanzaki refers to Fukuda's resignation, LDP hopes dissolution will occur before term of Lower House members expires

ASAHI (Page 4) (Full)
July 9, 2008

Maneuvering in the ruling parties is intensifying over the timing for a possible dissolution of the House of Representatives and a general election that would follow. In the background, there appears to be a gap in views on whether the Lower House election should be carried out under Prime Minister Yasuo Fukuda or not. Due to the Fukuda cabinet's slump in the polls, the argument on the timing of Lower House dissolution and snap election will likely drag on for some time to come.

Takenori Kanzaki, former chief representative of the New Komeito, the junior coalition of the ruling Liberal Democratic Party (LDP), said in a speech on July 2: "I wonder whether Mr. Fukuda will dissolve the Lower House once his popularity rises, or whether the Lower House will be dissolved with the replacement of Mr. Fukuda." Kanzaki as an influential member of the New Komeito, which has backed the Fukuda government, was the first to refer to the possibility of Fukuda stepping down.

The term of office of members of the Lower House will expire on September 10, 2009. The term of Fukuda as LDP president will run until the end of September next year. It is only natural for a ruling coalition member to say that the prime minister should dissolve the Lower House and call an election. So Kanzaki's remark may have been aimed at preventing Fukuda from exercising his right to dissolve the Lower House for a snap election. It has created a great stir in the ruling camp.

Former Prime Minister Junichiro Koizumi was quick to respond to

Kanzaki's remark. He stated in a speech on July 3:

"If the Prime Minister puts off (Lower House dissolution), he will be forced to dissolve the lower chamber because his options will diminish. So, he should choose the right timing for Lower House dissolution. The right to dissolve the Lower House and the right to choose ministers are the sources of the prime minister's greatest power."

Koizumi stressed that Fukuda should be make up his mind whether or not to dissolve the Lower House for a snap election.

On July 4, former Prime Minister Yoshiro Mori chimed in with Koizumi, saying: "In September (next year), he will be forced to conduct an election. Since Mr. Koizumi has said that such will be dangerous, I want him to consider such an option."

Since the LDP's largest faction, which has backed Fukuda, revealed its intention, the wind has shifted. LDP Election Strategy Council Chairman Makoto Koga, who had asserted that the Lower House should be dissolved as late as possible, stated in a speech on July 7:

"If (Fukuda dissolves the Lower House as late as possible,) his right to dissolve the Diet would be tied. I wonder he will make a decision at the beginning of the next regular Diet session (in early next year) or in late March or in April."

LDP Secretary General Bunmei Ibuki told reporters yesterday:

"Under the cabinet of Prime Minister Takeo Miki, there was an election that was held after the term of the Lower House members expired. However, some members in our party have said such an option is not good because the prime minister would not be able to exercise his right to dissolve the Lower House."

If the low support ratings for the Fukuda cabinet continue just as they did during the Mori government, the view that it will be impossible to hold an election under Fukuda's leadership will gain ground in the ruling coalition. Regardless of Fukuda's intention, the argument on when and under whom a general election should be conducted will likely continue to percolate among lawmakers.

SCHIEFFER